

## **MINUTES**

### **MONTANA HOUSE OF REPRESENTATIVES 57th LEGISLATURE - REGULAR SESSION COMMITTEE ON APPROPRIATIONS**

**Call to Order:** By **CHAIRMAN STEVE VICK**, on January 10, 2001 at 3:00 P.M., in Room 102 Capitol.

#### **ROLL CALL**

**Members Present:**

Rep. Steve Vick, Chairman (R)  
Rep. Dave Lewis, Vice Chairman (R)  
Rep. Matt McCann, Vice Chairman (D)  
Rep. John Brueggeman (R)  
Rep. Rosalie (Rosie) Buzzas (D)  
Rep. Tim Callahan (D)  
Rep. Edith Clark (R)  
Rep. Bob Davies (R)  
Rep. Stanley Fisher (R)  
Rep. Dick Haines (R)  
Rep. Joey Jayne (D)  
Rep. Dave Kasten (R)  
Rep. Christine Kaufmann (D)  
Rep. Jeff Pattison (R)  
Rep. Art Peterson (R)  
Rep. Joe Tropila (D)  
Rep. John Witt (R)

**Members Excused:** Rep. Monica Lindeen (D)

**Members Absent:** None.

**Staff Present:** Paula Broadhurst, Committee Secretary  
Taryn Purdy, Legislative Branch

**Please Note:** These are summary minutes. Testimony and discussion are paraphrased and condensed.

**Committee Business Summary:**

Hearing(s) & Date(s) Posted: HB 21 HB 43, 1/8/2001  
Executive Action:None.

**SPONSOR: Rep. Bill Eggers**

**PROPOSERS:** Sen. Glenn A. Roush, SD 43, Browning; Carol Juneau, HD 85, Browning; Karl Ohs Lt. Governor; Clifford Bird In Ground, Crow Tribal Chairman; Vince Big Hunter, Chairman of Economic Development Committee, Vice Chairman, Fort Belknap Reservation; Larney Little Owl, Secretary, Crow Tribe; Louie Clayborne, Coordinator Of Indian Affairs; Sharon Hoff-Brodowy, Chairman, Montana Catholic Conference; Betty Whiting, Montana Association of Churches; Vincent Goes Ahead, Vice Chairman of the Crow Tribe; Blaine J. Bultail, Crow Tribal Official Office; Rep. Joe Tropila, HD 47, Great Falls; George Ochenski, Conference Salish-Kootenai Tribes.

**OPENING STATEMENT BY SPONSOR:**

**Rep. Bill Eggers. HD 6, Crow Agency,** introduced HB 21. He remarked that HB 21 is this session's version of HB 670 from the 56<sup>th</sup> Legislature. This bill, he noted, is comprised of amendments made to HB 670. **EXHIBIT(aph07a01)**

**Proponents:**

**Sen. Glenn A. Roush, SD 43,** stated that this type of Legislation is needed in Montana and will create economic development on or near the Reservations by creating jobs.

**Rep. Carol Juneau, HD 85, Browning,** standing in support for HB 21, stated that this bill needs time to work and will help with economic development. She stated that it is a huge priority for Montana and its Indian Reservations. She noted how high the unemployment rates are on Reservations, and how high welfare caseloads are. She commented that this bill will allow some support for an economic study, since currently there are no figures for the Reservations, and it will support staffing.

**Karl Ohs, Lt. Governor, State of Montana,** stated that the Marz-Ohs Administration believes in the continuation of the Economic Development Commission for the Tribes and Reservations of Montana. He commented that they appreciated the sponsors willingness to add amendments that they felt were necessary. He stated that economic development is very important to the agenda this Session and Term and if some positive things can be done for the Reservations, it will help all of Montana. He asked the Committee to support this bill with the amendments.

**Clifford Bird In Ground, Crow Tribal Chairman,** commented that the Crow People have lived with an unemployment rate of 60-70% for many years because of low Indian retail sales on the Reservation. Their monies are not kept on the Reservation to help their local economy. He stated they hope that with the help of a State-Tribal Economy Commission and the Indian Coordinator Office, they can study and maybe provide answers for the low retail on Reservations. He strongly believes that this bill will help the retail and economy on the Reservations.

**Vince Big Hunter, Chairman of Economic Development Committee, Vice-Chairman Fort Belknap,** stated there is a need to go on with this Legislation and he supports the amendments made to it.

**Larney Little Owl, Secretary, Crow Tribe,** commented that he supports HB 21 and the people who are helping support the bill.

**Louie Clayborne, Coordinator of Indian Affairs,** commented that he urged passage through the committee on HB 21.

**Sharon Hoff-Brodowy, Chairman, Montana Catholic Conference,** encouraged the committee to support HB 21.

**Betty Whititng, Montana Association of Churches,** stated that they support policies and efforts to help advance economic justice in Montana consistent with their principles.

**Vincent Goes Ahead, Vice Chairman of the Crow Tribe,** commented on the need for this bill fort on the Reservations and its necessity to bring back economies to the Reservations.

**Blaine J. Bulltail, Crow Tribal Official Office,** spoke in favor of HB 21 and how it will help the economic development and the shortage of housing, and how there is a need for a commission to help solve these problems.

*{Tape : 1; Side : A; Approx. Time Counter : 21.8}*

**Rep. Joe Tropila, HD 47, Great Falls,** spoke in favor of HB 21.

**George Ochenski, Conference Salish-Kootenai Tribes,** stated the idea of HB 21 is to target the needs of the Reservations and then cross reference those with Federal Grants, so they could bring Federal money to the reservations which in turn would increase the economic development. **EXHIBIT (aph07a02)**

**OPPONENTS:** None.

**INFORMATIONAL WITNESS:** None.

**QUESTIONS FROM THE COMMITTEE MEMBERS AND RESPONSES:**

**Rep. Jayne** asked about page 1 line 12 where it says member, if that meant enrolled member.

**Rep. Eggers** stated that was what was intended. He commented that a provision was made that an enrolled member would be a resident of the Tribe, and the Tribes can make a recommendation to the Governor as to who the member would be.

**Rep. Jayne** asked if the provision would also apply to those who are married to members or those who are blood relatives who are active in the communities.

**Rep. Eggers** answered that is the liberal interpretation and that it is pretty wide open and not an exclusive club and the Tribes themselves are able to decide themselves who they want to represent them.

**Rep. Jayne** asked if the third sentence in the same paragraph would exclude non-members.

**Rep. Eggers** answered yes that is the recommendation that came from the Department of Justice and Indian Affairs.

**Rep. McCann** asked where the amendments to HB 21 came from and if some history could be given on these.

**Rep. Eggers** answered that the Law of Justice and Indian Affairs Interim Committee met, and during the course of their discussions, they entertained HB 670 which had a sunset clause in funding that needed to be rolled over and contained some other provisions that needed to be addressed. He was advised that a full text of amendments had been prepared by the Law of Justice and Indian Affairs Interim Committee. As a result of his discussions after sponsoring the bill, he chose to present them in their original form and then amend them because he felt he couldn't carry some of the provisions they chose to amend. He stated that he felt the amendments were friendly and necessary.

**Rep. McCann** asked about the \$50,000 used during the Interim and if Rep. Eggers could give the Committee some direction as to where he went with the money as far as the proposal and to give some insight where he is going with it and what is specifically going to be done with it.

**Rep. Eggers** stated that the undertaking that was conceived was to start the Economic Development Commission off with an Economic Study of the state in terms of the monies that come into the Indian Tribes exclusively and find out what the total of those monies is and what they are spent on.

**Louie Clayborne, Coordinator for Indian Affairs**, stated that the monies were spent for the Commission to meet, travel funds and expenses. Some of the exceptions were for advertising and publicizing and some went to the firm that was contracted to do the study. They hope that by the end of January or the middle of February a report from the study will be turned in, and that it is ongoing until then.

*{Tape : 1; Side : B; Approx. Time Counter : 16.8}*

**CLOSING BY SPONSOR:**

**Rep. Eggers** closed HB 21.

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**HEARING ON HB 43**

**SPONSOR:** Rep. Linda Holden

**PROPOSERS:** Jim Edgcomb, Manager, Treasure State Endowment Program, Sen. Glen Roush, SD 43, Lodge Grass; John E. Tubbs, Department Natural Resources and Conservation; Jack Stolts, Administrator of Water Resources Division at the Department of Natural Resources and Conservation; Steve Ruhd, Public Works Director for the City of Conrad; Byron Grubb, City of Conrad, Eric Griffin, Director of Public Works for Lewis and Clark County; Jane Jalinski, Montana Association of Counties.

**OPPOSERS:** None.

**INFORMATIONAL WITNESS:** None.

**OPENING STATEMENT BY SPONSOR:**

**Rep. Linda Holden, HD 86, Valier**, introduced HB 43. She remarked that HB 43 was written by request of the Department of Commerce because of its need in local communities. She stated that communities have to deal with unexpected costs for infrastructure problems and this bill would make monies available for them through grants each biennium. **EXHIBIT (aph07a03)**

**PROPONENTS:**

**Jim Edgcomb, Manager, Treasure State Endowment Program,** stated that this bill would provide planning for local infrastructure projects that would result in funding for many types of emergencies, not just drought conditions that are being dealt with now. He said it would also provide planning for county bridges for which there is no current funding. He commented that they are asking for \$250,000 maximum per biennium for this purpose.

**Sen. Glen Roush, SD 43, Lodge Grass,** commented that with the drought situation Montana is facing, the source and supply of water for the City of Conrad is all coming out of Lake Francis, which is near Valier, Montana. It is piped to Conrad from Lake Francis. He noted that this is a very serious health and safety issue for this community as this is their only source of water.

**John E. Tubbs, Department Natural Resources and Conservation,** testified that his Department also manages a grant program for the state and that they have an emergency fund. He stated that they request \$125,000 per biennium from interest earnings. He stated that every two years they have to ask for these funds from HB 6 and that when emergencies come up they have to wait for the Legislature. He stated that this bill will provide a little dexterity in answering the communities' needs over the interim while the Legislature is not in session. He stated they are small funds compared to the overall grant program.

**Jack Stolts, Administrator of Water Resources Division at the Department of Natural Resources and Conservation,** commented that how severe the drought situation is across Montana and how they struggled to help and to find the money to do so. He stated that this bill will help resolve the problem of finding funding.

**Steve Ruhd, Public Works Director for the City of Conrad,** commented that Conrad is constantly under scrutiny to keep a tight budget and they are not allowed to keep a lot of money for emergencies. He stated that the drought brought on many unanticipated problems to the City of Conrad. He commented that program like this will help communities like his in the future.

**{Tape : 1; Side : B; Approx. Time Counter : 7.3}**

**Byron Grubb, City of Conrad,** urged a do pass on HB 43.

**Eric Griffin, Director of Public Works for Lewis and Clark County**, commented that HB 43 would be a good option for local governments to consider if when things happen like a bridge that fails. **EXHIBIT (aph07a04)** He stated that the way funding is set up now without HB 43, the options to repair this bridge would have been very limited. He commented that HB 43 would insure an option for local governments when emergencies happen.

**Jane Jalinski, Montana Association of Counties**, stated the Association of Counties supports HB 43.

**OPPONENTS:** None.

**INFORMATIONAL WITNESS:** None.

**QUESTIONS FROM THE COMMITTEE AND RESPONSES:**

**Rep. Kasten** asked how this bill will affect HB 11.

**Jim Edgcomb** stated that there is potentially some impact if the funds are not used, and that it is not taking any monies away from them during the biennium, nor are they accumulating the funds, so if the monies are utilized they would simply be used the following biennium.

**Rep. Kasten** asked about how the bridge in **EXHIBIT (4)** failed.

**Eric Griffin** stated that it was caused by a 22 ton excavator and the driver had not been paying attention.

**Rep. Witt** asked if typically the situation involving the excavator on the bridge would be covered by emergency funding, but in this case would be taken care of by the individual involved.

**Eric Griffin** stated that his department contacted the Department of Transportation and they offered a temporary structure and they are negotiating this with their insurance company, but the problem is, the bridge was built in 1897 and the value of the structure is unknown.

**Rep. Witt** asked if FEMA or other emergency funds were not available to counties.

**Eric Griffin** stated that if it had been a flood that took this bridge out or some sort of catastrophe, funds would' have been

available but in this case FEMA would not be able to help and was not an option.

**Rep. Witt** stated that he thinks there are a lot more reasons that counties need emergency funds other than bridges.

**Rep. Davies** asked someone to explain the Treasure State Endowment Fund.

**Jim Edgcomb**, answered that the Treasure State Endowment Fund Program comes from a permanent trust that has been set up with money from Coal Severance Taxes and that monies going into the trust will terminate in 2013 and at that point in time there will be approximately \$25-27 million dollars in the trust fund. He stated that this time around there is approximately \$14 million available for projects to be funded through the Legislature. He stated that it is a drawing fund for water systems, etc..

**{Tape : 1; Side : B; Approx. Time Counter : 21.6}**

**Rep. Peterson** asked about the administrative procedure on the projects they work on.

**Jim Edgcomb** stated that they have an extensive review process performed on the applications they receive and that there are seven priorities in the statute that they are required to evaluate the projects by. They rank the projects and then submit the recommendations to the Governor and the Legislature. He did state, however, that these emergency funds would be outside the scope of applying for funding from the Legislature.

**Rep. Peterson** asked who actually makes the decision and how.

**Jim Edgcomb** answered that the decision making process is done by the Department of Commerce and it also includes himself, other people of the Treasure State Endowment Staff, Bureau of Community Development, and other individuals outside the program. They worked individually during the summer, reviewing the applications and then score the projects based on the defined criteria.

**Rep. Buzzas** asked the Sponsor about money not being spent and if it would go back into HB 11.



**Jim Edgcomb** stated that, yes, any funds not expended simply stay in the income trust fund, and all monies in the Treasure State Endowment Program would remain in the program.

**Rep. Kauffman** asked if after money stops flowing into the trust, a new trust would then be formed so that the interest could be used from it and would be able to do so as long as needed.

**Jim Edgcomb** stated that yes, she is correct.

**Rep. Kauffman** asked if all projects in HB 11 were approved in addition to all the projects in this bill, would that destroy the integrity of the principle in this trust.

**Jim Edgcomb** stated that the principle is constitutionally protected and is not used for any expenses.

**Rep. Kauffman** asked how it is possible that there is an additional \$250,000 available, or is it not available until needed.

**Jim Edgcomb** answered that there is not an extra \$250,000 and that they have projected over \$14 million that will be available in interest earnings this coming biennium.

**Rep. Buzzas** asked if the projects that are included on the list going to the Legislature often change.

**Jim Edgcomb** answered that the recommendations have never been changed except when there is updated information.

**Rep. Buzzas** asked if this bill gives some sort of Legislative review.

**Jim Edgcomb** stated that is correct and that they provide the Legislative Finance Committee with information about any grants that have been provided during the interim.

**Rep. Buzzas** then asked if the same criteria would apply to the current projects.

**Jim Edgcomb** stated that they would set up new administrative rules to deal with them, but would not apply the same criteria because of the seriousness of these health and safety issues.

**Rep. Vick** asked how much it cost to get the water system to work again, and how much of it was a grant.

**Steve Ruhd** stated that the total cost was \$33,200 and the DNRC funded 60% of it which was \$24,000.

**Rep. Vick** asked about costs in giving the grant.

**Steve Ruhd** answered that yes it did and that they were asked to give documentation on their funding sources.

**{Tape : 1; Side : B; Approx. Time Counter : 29.5}**

**Rep. Vick** asked how were they made aware of the grants from the DNRC.

**Steve Ruhd** stated that the DNRC made them aware of the grants.

**Rep. Vick** asked how much the bridge project cost.

**Eric Griffin** answered that they submitted \$25,000 to their insurance company, which was the hard cost to install the bridge.

**Rep. Vick** asked if the bridge would be eligible for the DNRC program since it is not a water type project.

**John Tubbs** stated that Rep. Vick was correct.

**Rep. Vick** asked if 60% is the maximum that can be granted.

**John Tubbs** answered that they are restricted and limited to giving a total of \$3000 to each project. He then explained that they ask for a one to two page description describing what the emergency is, how do they plan to solve it, how much it costs, and how much financial backing can be placed.

**Rep. Vick** then asked how often they used the \$125,000.

**John Tubbs** answered that right now they are sitting on the last \$15,000.

**Rep. Vick** asked if \$250,000 was enough or too much and how did he arrive at that figure.

**Jim Edgcomb** stated that the figure they arrived at was based on the needs and not taking away from the projects that go through the normal process, but also making sure that there is enough for emergencies.

**{Tape : 2; Side : A; Approx. Time Counter : 5.4}**

**Rep. Kasten** asked if there was anything on the drawing board to update the water system breakage in Conrad before the emergency happened.

**Steve Ruhd** answered that they had been aware of the problem since 1984 and that the problem had gotten worse. They have now hired an engineering firm to study the problem.

**CLOSING ON HB 43:**

**Rep. Holden** closed on HB 43.

**ADJOURNMENT**

Adjournment: 4:35 P.M.

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REP. STEVE VICK, Chairman

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PAULA BROADHURST, Secretary

SV/PB

**EXHIBIT** (aph07aad)